Teague	Upton	Welch
Terry	Van Hollen	Westmoreland
Thompson (CA)	Velázquez	Wexler
Thompson (MS)	Visclosky	Whitfield
Thompson (PA)	Walden	Wilson (OH)
Thornberry	Walz	Wilson (SC)
Tiahrt	Wamp	Wittman
Tiberi	Wasserman Schultz	Wolf
Tierney	Waters	Woolsey
Titus	Watson	Wu
Tonko	Watt	Yarmuth
Towns	Waxman	Young (AK)
Tsongas	Weiner	Young (FL)
Turner		

NOT VOTING—15

Arcuri	Doyle	McKeon
Baldwin	Fudge	Moran (VA)
Barrett (SC)	Granger	Murtha
Carter	LaTourette	Radanovich
DeLauro	Lewis (GA)	Sanchez, Loretta

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members have 1 minute to record their votes.

□ 1526

So (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 3 o'clock and 26 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1847

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. JACKSON of Illinois) at 6 o'clock and 47 minutes p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 3288, CONSOLIDATED APPROPRIATIONS ACT, 2010

Mr. PERLMUTTER, from the Committee on Rules, submitted a privileged report (Rept. No. 111–368) on the resolution (H. Res. 961) providing for consideration of the conference report to accompany the bill (H.R. 3288) making appropriations for the Departments of Transportation, and Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2010, and for other purposes, which was referred to the House Calendar and ordered to be printed.

COMMUNICATION FROM THE HONORABLE JOHN SARBANES, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable JOHN SARBANES, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, December 9, 2009.

Hon. NANCY PELOSI,
Speaker, House of Representatives,
Washington, DC.

DEAR MADAM SPEAKER: This is to notify you formally, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a third-party subpoena for production of documents issued by the U.S. District Court for the District of Maryland, in connection with a civil matter now pending in that court.

After consultation with the Office of the General Counsel, I have determined that compliance with the subpoena is consistent with the precedents and privileges of the House.

Sincerely,

JOHN SARBANES,
Member of Congress.

COMMUNICATION FROM THE REPUBLICAN LEADER

The SPEAKER pro tempore laid before the House the following communication from the Honorable JOHN A. BOEHNER, Republican Leader:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, December 8, 2009.

Hon. NANCY PELOSI,
Speaker, U.S. Capitol,
Washington, DC.

DEAR SPEAKER PELOSI: Pursuant to Section 125(c)(1) of the Emergency Economic Stabilization Act of 2008 (P.L. 110–343), I am pleased to appoint Mr. J. Mark McWatters of Dallas, Texas to the Congressional Oversight Panel. Mr. McWatters' appointment fills the vacancy created by the Honorable Jeb Hensarling, who has resigned the position, effective upon Mr. McWatters' appointment.

Mr. McWatters has expressed interest in serving in this capacity and I am pleased to fulfill his request.

Sincerely,

JOHN A. BOEHNER,
Republican Leader.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, December 9, 2009.

Hon. JOHN A. BOEHNER,
Republican Leader, The Capitol,
Washington, DC.

DEAR LEADER BOEHNER: After one year of service on the Congressional Oversight Panel (Panel), I am writing today to inform you of my resignation from the Panel, effective upon the designation of my replacement.

As you are aware, with some notable exceptions, I have been disappointed with the Panel's work that too often focuses upon making policy recommendations to Congress in place of critical and badly needed oversight. As a Member of Congress, I already possess ample opportunities to advise my colleagues. Still, I respect the commitment and dedication of each of my fellow Panel members and the hard work of the Panel's staff.

Now that the Obama Administration has chosen to extend the Troubled Asset Relief Program into next year, I want to devote more of my time and energy as a Member of Congress to fighting its continued efforts to misuse the program and thus the taxpayers' money as a revolving bailout fund.

It has been an honor to serve on the Panel, and I want to thank you for providing me with the opportunity.

Yours respectfully,

JEB HENSARLING,
Member of Congress.

PROVIDING FOR CONSIDERATION OF H.R. 4173, WALL STREET REFORM AND CONSUMER PROTECTION ACT OF 2009

Mr. PERLMUTTER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 956 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 956

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 4173) to provide for financial regulatory reform, to protect consumers and investors, to enhance Federal understanding of insurance issues, to regulate the over-the-counter derivatives markets, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. The amendment printed in the report of the Committee on Rules accompanying this resolution shall be considered as adopted in the House and in the Committee of the Whole. General debate shall be confined to the bill, as amended, and shall not exceed three hours, with two hours equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services, 30 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Agriculture, and 30 minutes equally divided and controlled by the chair and ranking minority member of the Committee on Energy and Commerce. After general debate, the Committee of the Whole shall rise without motion. No further consideration of the bill shall be in order except pursuant to a subsequent order of the House.

SEC. 2. During consideration of H.R. 4173 pursuant to this resolution, the Chair of the Committee of the Whole may entertain a motion that the Committee rise only if offered by the chair of the Committee on Financial Services or his designee.

The SPEAKER pro tempore. The gentleman from Colorado (Mr. PERLMUTTER) is recognized for 1 hour.

Mr. PERLMUTTER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from California (Mr. DREIER).

GENERAL LEAVE

Mr. PERLMUTTER. Mr. Speaker, I ask unanimous consent that all Members be given 5 legislative days in which to revise and extend their remarks on House Resolution 956.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. PERLMUTTER. Mr. Speaker, I yield myself such time as I may consume.

House Resolution 956 provides for general debate on the bill, H.R. 4173, the Wall Street Reform and Consumer Protection Act of 2009. It provides 3 hours of general debate, which will be evenly divided between the chairmen and ranking members of the various committees of jurisdiction. It self-executes an amendment to resolve jurisdictional concerns among the committees of jurisdiction of this bill. The amendment also includes the text of H.R. 1728, regarding predatory lending, which the House passed earlier this year overwhelmingly. It also makes certain revisions to the bill to ensure it complies with pay-as-you-go rules.

Mr. Speaker, for more than a year, the Financial Services Committee, of which I am a member, has held hearings and conducted a thorough oversight into the causes of last year's financial meltdown which caused our current economic troubles. After exhaustive work, the House now has before it a comprehensive package of reforms to address the numerous failures that led to the near collapse of our financial system last year.

The banking system is our Nation's circulatory system for our economy; and last year that circulatory system had a heart attack. We cannot and will not let the banking system fail, which is why this House had to take bold action last year to stabilize it. However, now we must turn and look to the causes at the root of the meltdown and make targeted reforms and repairs to address the inefficiencies and failures we found in the system.

The legislation before us is the most significant reform to our financial system since the New Deal of the 1930s. The bill creates a Financial Stability Oversight Council to monitor systemically significant institutions, counterparties and potential threats to the financial system. This ensures that there is no place to hide by closing loopholes, improving consolidated supervision, and establishing robust regulatory oversights.

We provide for the orderly wind-down of failing firms that are systemically significant, ending the notion of ''too big to fail.'' By dissolving these firms, we end them. We kill them. We put them out of their misery, so we say ''no'' to any more taxpayer bailouts.

This legislation also makes robust consumer protection repair and reform. It puts the regulation of consumer protection on a level playing field with the regulation of safety and soundness of our financial institutions. It creates an independent agency focused solely on writing meaningful consumer protection standards and keeping watch over predatory practices that some lenders have shown a propensity to pursue.

Additionally, we increase transparency and accountability by establishing a regulatory system for the over-the-counter derivative market. Now most derivative trades will be done on exchanges or through clearinghouses. Again, we have made sure that there is no place to hide. Other important pieces of this legislation include the registration of hedge funds and the doubling of SEC funding to hire more experts and investigators. Investor protection is substantially strengthened. A Federal insurance office is created to gather information, mitigate systemic risk and provide for insurance expertise to the Federal Government.

In this legislation, we have also included two very important measures which passed the House earlier this year. First, is the say-on-pay, and the second is on mortgage reform aimed at curbing the abusive and predatory practices that led to the subprime lending problems. This legislation is critical to protect taxpayers and consumers by reining in the abuses of Wall Street, while enabling a balanced environment for the financial markets to grow and stabilize our economy.

These changes are essential to rebuilding Main Street and getting credit flowing to small businesses, creating jobs, and rebuilding our economy.

I'm proud to stand here with my colleagues today while we consider this important set of reforms. We cannot afford another collapse as we had last fall. It cost this Nation trillions of dollars and millions of jobs, and is no longer acceptable. We need to repair and restore the system so that confidence is restored by the American public and people around world. We make these necessary reforms that establish robust regulatory oversight. This bill is another step toward economic recovery, and I urge its adoption.

I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield myself such time as I might consume.

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I have to say at the outset that I have a slightly different take than was just offered by my Rules Committee colleague, the gentleman from Golden, Colorado. As our economy, Mr. Speaker, and our jobs market continue to struggle and families face the coming year with deep worries for their own financial futures, I believe that our responsibility here in this institution as Members of Congress is very clear. We must reform our financial regulatory system to prevent the kind of catastrophic breakdown that occurred last year. We both can agree on that. We know that what happened last year, I mean, a year ago right now, many of us were sensing that our economy was in peril, and we could have seen a major meltdown.

We need to ensure that that doesn't happen again, the threat that we went through does not happen again. We must do so in a way that preserves access to credit for families and small businesses, promotes job creation, ends taxpayer-funded bailouts, and allows us to begin to pay down this horrendous national debt that we're all facing. Unfortunately, the proposal that is before us this evening fails on all counts.

At a time when we need to reform and streamline our regulatory regime, the Democratic majority proposes to make it more complicated and less accountable, more unworkable and less transparent. The majority wants to keep the taxpayers on the hook for a permanent system of bailouts. Now, my friend said we were going to ensure that we no longer had bailouts. Clearly, from our perspective, this will continue the pattern of bailouts; and they're attempting to use repaid TARP funds as what is little more than a slush fund that will create a wide range of additional Federal spending.

The net effect of the underlying bill that the Democratic majority has put forward will be to reduce consumers' access to credit, destroy jobs, and leave our deficit spiraling out of control. This is not the solution that the American people were hoping for from this institution. They understand while the circumstances leading up to our current economic crisis involved incredibly complex and arcane regulations, policies and institutions, the lack of accountability and transparency was the core problem.

They understood that a lack of accountability, a lack of transparency, that that really was the core problem that led up to the crisis. Financial institutions took on unsustainable levels of risk and used highly questionable practices that fed into a bubble that we all know inevitably burst.

□ 1900

Individuals took on an enormous amount of debt that they simply could not afford, and we all know that the Federal Government did the exact same thing. The result was frozen credit markets, declining growth, and hundreds of thousands of jobs lost. We're still trying to climb out of this hole, as we all know. The task at hand is not about increasing regulation or diminishing regulation. It is about making it smarter, more accountable, and more effective.

The Democratic majority's so-called reform bill takes us in the opposite direction. By adding multiple layers of new bureaucracy and making agencies like the Fed even less accountable than before, they threaten to compound the very problems that led to our current situation.

What's more, by further tangling this Byzantine mess of regulators and superregulators, they will further tie up credit that families and small businesses desperately need. This is credit that enables small companies to grow, expand, make payroll for current employees, and create positions for new employees. This is credit that enables responsible homeowners to make purchases and help get our housing market back on track. By exacerbating the credit crunch, today's underlying bill threatens further job destruction and stymied growth.

The bill also creates this $150 billion fund paid for with new taxes to continue to bail out failing institutions. Now, if that $150 billion turns out to not be enough, who's on the hook for more bailouts? Well, surprise, surprise. It's the U.S. taxpayer.

The Democratic majority was given the opportunity to remove these bailout provisions from the bill in committee, but they chose to keep them in place. And if that weren't bad enough, this bill will take the bailout dollars that are repaid to the taxpayers and put them into a slush fund for more government spending rather than paying down the national debt. The Democratic majority has apparently forgotten that they voted last fall to consider the taxpayer first as bailout dollars are repaid rather than putting it off into some other fund. The path charted by this legislation is utterly reckless at a time when prudence and accountability are more needed than ever.

But, Mr. Speaker, I'm happy to say that we, as Republicans, have an alternative. We have a very viable alternative. We put forth the proposal that reforms our financial regulatory system without threatening access to credit or job creation. We enhance rather than diminish accountability for agencies like the Fed. We tackle the issue of fraud and give shareholders greater rights when it comes to executive compensation. We put an end to the bailouts once and for all, and we return repaid bailout dollars to the Federal Treasury where they belong. Our alternative accomplishes the goal of guarding against future crises without imperiling our recovery. This is what the American people are demanding of us.

Mr. Speaker, I urge my colleagues—while we're considering this as a general debate rule, I'm urging my colleagues to reject this because we can do better. Reject taxpayer-funded bailouts, reject the credit crunch for small businesses with families, reject greater job losses, and reject a new slush fund for even more wasteful spending.

With that, I reserve the balance of my time

Mr. PERLMUTTER. I yield myself as much time as I may consume.

As much as I enjoy listening to my friend from California, I'm afraid that I would have to say, Mr. Speaker, he hasn't read much of this bill. And the reason I would say that is that under the proposal the Republicans presented to us in Financial Services, they were going to allow this thing to linger through a chapter 11. If there was a failed banking institution, it would linger, as opposed to the proposal by the Democrats which says, and which is the bill before us, a financial company that comes within the coverage of this title for resolution shall be placed in liquidation, period. It's over. It's done. Number one.

Number two, with respect to this comment or his comments and general comments about job creation and the debacle that occurred last fall, it came under the watch of President Bush, who has the worst track record for job creation of any President since the job creation records have been taken. Also, we've lost trillions of dollars because of the types of casino-like approaches that were taken in and on Wall Street and other places that cost millions of investors thousands and thousands of dollars each and cost so many jobs.

I would like to now yield 4½ minutes to my friend from Kansas (Mr. MOORE).

Mr. MOORE of Kansas. Mr. Speaker, I rise tonight in support of the rule and in support of H.R. 4173, the Wall Street Reform and Consumer Protection Act of 2009, a comprehensive package that the House Financial Services Committee and other committees have worked this year to produce. I commend the leadership of Chairman FRANK. Without his hard work and many committee hearings, long committee markups and behind the scenes to listen and address concerns, we would not be on the floor tonight with the bill we have.

We spent over 50 hours debating the various pieces of this regulatory reform package, and our work was bipartisan. Over 50 Republican amendments were accepted along with over 20 bipartisan amendments. This package, Mr. Speaker, contains ideas put forward by Democrats and Republicans, as it should, creating a better and more thoughtful bill that we are considering tonight.

We should never forget why we're here tonight with the most sweeping financial regulatory reform since the Great Depression. Last year, due to years of little oversight of our financial system, credit was overextended and financial firms were overleveraged to a point that was unsustainable.

Henry Paulson, Secretary of the Treasury in the Bush administration, said to a group of us, ''We may not have a market on Monday'' if Congress did not quickly approve the TARP legislation he requested. So more than a year later, it's well past time for Congress to take the next step and create strong, fair, and clear rules of the road for Wall Street.

I believe in free and open markets, but I don't believe in letting people game the system. This bill will make sure that that can't happen by, number one, ending ''too big to fail'' and putting an end to taxpayer bailouts; number two, strengthening investor protections to prevent Bernie Madoff Ponzi schemes; and number three, improving consumer protection so that innocent people are no longer taken advantage of by terms of agreement they don't understand and can't afford.

I worked with my colleagues in our committee offering amendments to strengthen and improve this regulatory reform package such as, number one, the Moore-Meeks amendment, which will require ''too big to fail'' firms and other large financial institutions to conduct stress tests to ensure, in good times or in bad, these firms are fully prepared for the worst; and second, my amendment to strike ''qualified receivership,'' which is a form of conservatorship which would have allowed the government or revive a failing firm. The amendment ensures the next AIG or Lehman Brothers will be required to fail and be put out of its misery. And three, the Moore-Lynch amendment creates a council of inspectors general on financial oversight. This I.G. council will conduct strong oversight of the systemic risk council, ensuring they respond to legitimate concerns that are raised by independent inspectors general.

I urge my colleagues to support the Wall Street Reform and Consumer Protection Act to guarantee we have tough, new rules of the road for Wall Street to play by and to fully protect consumers, investors, and U.S. taxpayers.

Mr. DREIER. Mr. Speaker, at this time I'm happy to yield 2 minutes to your Illinois colleague, the gentlewoman from Hinsdale, a hardworking member of the Financial Services Committee, Mrs. BIGGERT.

Mrs. BIGGERT. I thank the gentleman for yielding.

Mr. Speaker, I rise today in opposition to this rule and the underlying bill. This massive financial overhaul would permanently entrench the Federal Government and taxpayers in the very position we have worked to avoid since the beginning of this economic crisis.

We must crack down on illegal, unfair, and deceptive activity, eliminate regulatory gaps, and strengthen the effectiveness of the enforcement agencies. We should create a culture of transparency and accountability on Wall Street that will discourage, not promote, risky behavior, and never ever allow taxpayers to be left holding the bag when those deemed ''too big to fail'' cannot make their obligations. Instead, this bill creates a vast new government agency, permanently codifies the practice of bailouts, and doubles down on government intrusion in the financial sector.

I have joined my colleagues in the Financial Services Committee at every step of the way to offer ideas for smarter, stronger financial regulations, and yet this proposal continues to weaken the economic competitiveness of our markets, limit consumer choice, and place taxpayers on the hook for Wall Street's mistakes.

Mr. Speaker, American taxpayers cannot afford any more bailouts, and our financial markets cannot weather another storm of mismanagement.

I ask my colleagues to vote ''no'' on this rule and the underlying big bill.

Mr. PERLMUTTER. Mr. Speaker, I yield 4 minutes to my friend from Florida, a member of the Financial Services Committee, Mr. KLEIN.

Mr. KLEIN of Florida. I thank the gentleman from Colorado and thank him for his work both on the Financial Services Committee and on this rule, and certainly I support the rule and the underlying bill, H.R. 4173, Wall Street Reform and Consumer Protection Act.

And we think about the name, Wall Street Reform and Consumer Protection Act. This is self-descriptive, exactly what Americans have been looking for for the past year. Our current economic crisis is the worst in decades, and it certainly didn't happen overnight. It happened over the last number of years because of a failure of regulation and oversight.

The one thing I'll agree with Mr. DREIER from California is that it's not a question of more or less regulation. It's smart regulation. It's the right type of regulation. It's the right type of people in those agencies that know what they're doing, that have the proper training, they're probably paid, and they're not outsmarted by some people who are trying to scam the system. That's what Americans have been asking for. That's what Americans are looking for Congress to do.

And finally, after a tremendous amount of work—and again, a lot of it has been through good work by Democrats and Republicans—I'm very sorry to see that this moment it's becoming a partisan issue. But the good news is this bill is good quality, is one of the most important things that has been done in our economy and our financial system in over 50 years, and it will be an answer to not only figure out what went wrong in the past and learn from those mistakes, but also anticipate what can go wrong in the future. There are a lot of very smart people out there that have learned how to scam the system, and we as Americans need to make sure that we are anticipating what those kinds of problems may be so we can avoid those problems from happening again.

Under the bill before us today, we've created a regulatory structure that will protect consumers and ensure that investors have the appropriate information to make knowledgeable investment decisions. There's no guarantee in investing, and every person has to take personal responsibility for themselves in making those decisions, but at the same time, you can't be fraudulently misled. You can't have a lack of information, a lack of context. And it's important to have an agency that will stand up for the consumers or abusive other financial institutions that are out there.

This legislation also restores responsibility and accountability through Wall Street. Regulatory loopholes and gaps in regulation have been closed to make sure that there is common sense, transparency, and adequate oversight. Financial institutions that were previously unregulated—and we've already heard the stories of who they are—will now be brought under government supervision. Derivatives and other complex financial products that we've never even heard of—credit default swaps and other things—will now be tightly regulated to eliminate unnecessary risk taking by financial institutions. And executive compensation at these institutions has also been modified to discourage risky speculation for short-term gains that have negative effects on our overall economy.

This bill also makes sure the American taxpayer, all of us, won't have to bail out Wall Street banks by putting in place resolution authority that will allow these firms to fail without damaging the financial system and the entire economy. No more ''too big to fail'' or we have to rescue them because, if they fall, the whole economy fails.

□ 1915

We cannot let it get to that point, and that's exactly what this bill does. It stops it before it gets to that point.

We've also learned that both quality and the quantity of staff at regulatory agencies, as I said before, are very important. We want to have qualified technical staff, and we want to know that if someone blows the whistle and calls something out that the staff at these agencies will respond quickly and efficiently to make sure that that doesn't continue.

It's also important to hold individuals who committed misdeeds to account. Many financial players committed abusive and fraudulent acts, from Wall Street to local mortgage brokers, and we have to hold these people accountable. Americans, all they ask for is a sense of fairness. They want to know if they play by the rules, that people who sell them products are also playing by those same rules.

And unfortunately, there haven't been enough prosecutions for those who committed some of these very bad acts that brought us to our knees. That's unacceptable. People that commit these types of criminal fraudulent acts must be punished.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. PERLMUTTER. I yield the gentleman 1 additional minute.

Mr. KLEIN of Florida. Yet simply punishing these bad actors is not enough. We have to learn from the past and anticipate the future and make sure our financial structures are adapted accordingly. The reforms made by this legislation are essential to creating a functional, sustainable financial system that families and our businesses can count on.

We cannot and will not, as Americans, allow what happened last year to happen again. I look forward to working with my colleagues in the Congress, to the passage of this bill, to the President signing it, and to Americans knowing that they will have confidence in their financial system. I thank the gentleman.

Mr. DREIER. Mr. Speaker, at this time, I am very privileged to yield 2 minutes to the senior Republican Californian on the Committee on Financial Services, my friend from Fullerton, Mr. ROYCE.

Mr. ROYCE. Mr. Speaker, as our colleague has said, this crisis occurred over the last several years. I will remind the body that the Democrats have controlled this Congress over the last 3 years, and I agree here tonight with my Republican colleagues who oppose permanent bailout authority which is put in this bill, and the fact that this legislation institutionalizes the ''too big to fail'' model. I would like to focus on one other critical shortcoming in this legislation, and that's the failure of this bill to address one of the key causes of this financial collapse.

While others may claim it was a lack of government involvement in the market, I think history is going to show that government intervention in the market also had a major role. And let me show you how. It was government-sponsored enterprises, Fannie Mae and Freddie Mac, that were at the heart of the housing market and largely responsible for the proliferation of subprime and Alt-A mortgages throughout the financial system. Over the years, they loaded up on over $1 trillion of these junk loans, pushed by initiatives on the other side of the aisle, and they signaled to the market that these were safe loans when we know, in fact, they were not. There was $1 trillion in losses out of this.

It was the Federal Reserve also, and the central banks around the world setting negative real interest rates, when measured against inflation, for 4 years running. And the effect of those negative interest rates was devastating, because instead of mitigating the ups and downs in the economy, the Fed's actions had the opposite effect. The negative real interest rates intensified the boom-and-bust cycle, and it encouraged excessive risk-taking throughout the economy, especially in the financial sector and in housing, something economists have been warning about for decades.

While there have been other blunders that contributed to the crisis, these two steps taken by the Federal Government were at the heart of the boom and subsequent bust in the housing market and the broader financial system. And until we address these market distortions, we are simply treating the symptoms rather than the disease.

Mr. PERLMUTTER. Mr. Speaker, I continue to reserve the balance of my time.

Mr. DREIER. Mr. Speaker, at this time, I'm very happy to yield 2 minutes to my good friend from Roswell, Georgia (Mr. PRICE).

Mr. PRICE of Georgia. Mr. Speaker, I thank my colleague from California for his leadership on this issue and so many other things. Here we go again, Mr. Speaker. Here it is. We got the bill right here. Another late night, another thousand-plus-page bill that virtually nobody in this House has read, and another government takeover.

This ought to be called the ''unending bailout authority, credit-restricting, and permanent job loss act,'' Mr. Speaker. It not only doesn't solve the problem of government bailouts, it codifies them. It writes them into law. It makes them permanent, putting us into a permanent political economy, politicians picking winners and losers.

Mr. Speaker, this is a very dangerous time. The American people are concerned about jobs and the stagnant economy, and the majority party comes to this floor with this bill that will destroy hundreds of thousands of jobs and further harm the economy.

Why? Well, Mr. Speaker, as a physician, I'm here to tell you, I think they got the wrong diagnosis, just like in health care. Their prescription for health care was a government takeover, and now they want a government takeover of our economy and our financial services area because their prescription is wrong.

If we conclude as a society that we are here because of a failure of free-market capitalism and a failure of deregulation, then our kids and our grandkids will lose, because all of the solutions will harm free-market capitalism, depress the economy, and increase regulation, which will destroy jobs and destroy our economy.

We're not here because of a failure of free-market capitalism, Mr. Speaker. We're here because of a failure of the government distorting the market, because of politicians getting involved. We're not here because of a failure of deregulation. We're here because of foolish and inflexible regulation and because of government edicts that made it so people couldn't do their jobs.

The Democrat prescription for this, then, is to take over and control the entire economy, thereby destroying jobs and destroying our economy. The shame of all of that, Mr. Speaker, is that there are wonderful solutions. We believe that there ought not be any more bailouts.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. DREIER. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. PRICE of Georgia. I thank the gentleman.

We believe there ought not be any more bailouts. No more bailouts. Like the American people, we know what the American people know, and that is if there is no risk, there can be no reward.

Mr. Speaker, we believe that government ought to get out of the business of picking winners and losers. This bill doesn't create jobs; it destroys them, absolutely destroys them. We know that markets must be allowed to function and to innovate in order to be profitable. And the economy cannot and will not recover without these things.

In so many ways, this bill kills jobs and harms the economy. The American people want to end the bailouts, the Wall Street bailouts that the majority party so desires to have that they wrote it into this law, and they want to make certain we get back to the business of freeing up the economy to increase jobs and allow free-market capitalism to work. That's what will restore the confidence of the American people.

I thank the gentleman from California for this time.

Mr. PERLMUTTER. Mr. Speaker, how much time does each side have?

The SPEAKER pro tempore. The gentleman from Colorado has 16 minutes remaining. The gentleman from California has 16½ minutes remaining.

Mr. PERLMUTTER. I yield myself so much time as I may consume.

I just want to respond to my two colleagues from the Financial Services Committee. After all the hearings we had, after all the witnesses that we heard from, it's almost as if they forgot everything they heard. The Wild West mentality that permeated Wall Street permeated the investment community and the banking system and brought this country to its knees last fall. And as a consequence, trillions of dollars of wealth were lost, and millions of jobs have been lost, and it was based on a belief within the Bush administration and the Republican Congress that participated with it that you don't need regulation, these markets will take care of themselves. Well, what they ended up doing is, we had three of the biggest Ponzi schemes ever, Madoff, Petters and Stanford, under that regime, under that administration. And that's just wrong.

Our bill has nine sections to it, Mr. Speaker. The first is on consumer protection. The second is on investor protection. The third is on hedge funds. The fourth is on credit rating agencies, the fifth on derivatives, the sixth on life insurance companies, and the seventh on dealing with banks that are so big or financial institutions that have so many components to them that they are a threat to the system. And we force those institutions to either raise all their reserves and their capital or sell different parts of their company if they are a threat to the system, and if they finally fail, we put them out of their misery. We don't let them linger like the Republicans would have us do, and bail them out some more. We are done with those bailouts.

The last sections of the bill, one is ''say on pay.'' Executive salary got completely out of control and was part of the gambling that was going on. And so now we allow the shareholders to have some opportunity to say what their executives should be paid. And the final piece deals with subprime mortgages where people were allowed to just get into mortgages that had teaser rates and were impossible to repay. And we now require that financial institutions have skin in the game.

These are nine sections of reasonable regulation to restore confidence in the system and stop the kind of failures that we saw in this last administration that cost this country trillions of dollars, trillions of dollars and millions of jobs. And we're not going to let that happen again.

With that, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, at this time, I am happy to yield 2 minutes to a very hardworking member of the Committee on Financial Services, my friend from Texas (Mr. HENSARLING).

Mr. HENSARLING. I thank the gentleman from California for yielding.

I've listened to my friend from Colorado say that under their plan, they are done with the bailouts. Well, Mr. Speaker, it kind of begs the question: Why do they have a bailout fund? Why do you have a bailout fund if you're not going to bail people out? My wife and I started a college fund for our children, and the reason we are having a college fund is because we intend to send our children to college.

Why is it, Mr. Speaker, that the Democrats have a bailout fund, but now they expect us to suspend disbelief that they won't use it? If I can paraphrase a line from the famous Kevin Costner film, ''Field of Dreams,'' ''if you build it, they will come.'' If you create a bailout fund, people will come for bailouts. That's what this is. This is the TARP bill in perpetuity.

So, Mr. Speaker, if the American people like bailouts, our friends on the other side of the aisle certainly have the bill for them.

But as I talk to my constituents in the Fifth Congressional District of Texas, they are tired of the bailouts. The school teacher in Mesquite, the fireman in Malakoff, the farmer in Henderson County—they are tired of the bailouts. They are tired of paying for this. And yet they create a $200 billion bailout fund.

Worse than that, Mr. Speaker, this is a job-killing bill. It is a bill that creates a huge Federal bureaucracy to ban and ration credit. I mean this is the group of people who have brought us double-digit unemployment, the worst unemployment in a generation. I would just ask my friends on the other side of the aisle, how many more jobs have to be lost under your plan? Small business needs credit. You're going to crush it.

Reject the rule. Reject the bill.

Mr. PERLMUTTER. Mr. Speaker, I would yield 5 minutes to the chairman of the committee, Mr. FRANK.

Mr. FRANK of Massachusetts. Mr. Speaker, few people in this House apparently recognize, or in the country, the enormous significance of January 21, 2009. That is apparently the day in which a number of extraordinary things happened. It's the day on which bailouts began. According to my Republican colleagues, there weren't any before. Bailouts, you may think they started under George Bush, the bailout of General Motors, of AIG, of Chrysler, and the TARP bill. Some people may think they happened in 2008. No. Apparently, they started on January 21, 2009. That's also the day, of course, that the war in Afghanistan, which was going wonderfully, began to go bad. It's the day in which a surplus magically became an enormous deficit. It's also the day in which we had a recession.

My Republican colleagues talk about job loss. Job loss was, of course, I thought, begun with a recession that started in 2007 and got worse and worse during 2008 and is only now beginning to moderate.

And not only did all those bad things happen on January 21, 2009—the bailout began, the TARP sprang full-blown, the deficits came, the war in Afghanistan turned south, but it was also the day in which we had one of the worst outbreaks of illness in American history, mass amnesia on the part of the Republican Party, who forgot everything that had happened before.

Every single bailout now going on in America started under the Bush administration. In some cases, some of us thought we had to cooperate because the lack of regulation, the ideologically driven opposition to any regulation of derivatives, of subprime mortgages, of excessive leverage by banks; all of those things were Republican policy. And now, Members have said, that's their answer.

□ 1930

Leave it to the market, because if you try to regulate, you will kill the economy.

Well, Members who are impressed by that don't have to wait and listen to my Republican colleagues say it. Go back and read the CONGRESSIONAL RECORD from 1900 when they were saying that about Theodore Roosevelt and the antitrust, actually 1902, 1903.

Read what they said when Franklin Roosevelt set up the SEC during the 1930s. Yes, we believe that there should be some regulation. We are told, leave it to the markets.

Leave it to AIG to sell as many credit default swaps as they want to without any ability to pay them back; leave it to people unregulated to sell subprime mortgages to people who shouldn't have them. Leave it to the rating agencies to then say to AIG, Hey, those are a great deals, buy them, or insure them, rather, through the people who bought them.

Do nothing about executive compensation. Do nothing about a salary structure that incentivizes excessive risk. Don't let the shareholders have a say. Now, one of my colleagues said, I guess the gentleman from Texas, that it is a bailout fund. No, there is not.

He talks about a bailout fund as if it were a reality. Here is the deal: we did have bailout starting with the TARP bill in September, which I voted for when the Bush administration, I think, said, look, as a result, not—they didn't say this—but as a result of lack of regulation, we were in a terrible crisis.

We, in this bill, end those. The authority that the Federal Reserve, George Bush's appointees to the Federal Reserve, they were all his, used to give money to AIG, that's abolished in our bill. Section 13.3 will no longer allow them to do what they did with Bear Stearns or do with AIG.

It will allow a facility to be set up, and here we agree—the Republicans said the same thing in their bill—to provide for some liquidity for solvent institutions, but there is no more of the Federal Reserve doing what they did with AIG and Bear Stearns.

We do take a fund, not from the taxpayers, as we were asked to do by the Bush administration, and as I went along with, along with the Republican leadership of the House and the Senate—because I didn't think we had an option at that time to avert disaster—but we now with some time will assess the financial institutions for that fund. The fund is not used to bail out any failing institution.

The bill specifically says the money only comes to put that institution to death. There is nothing in here that allows a failing institution to be continued with Federal money. There is a dissolution fund, not a bailout fund; and it does say that it may be that to dissolve this in an orderly way, as opposed to Lehman Brothers, where you just had a flat bankruptcy, that you need to put some money into it, maybe pay off some of the States that would otherwise be hurt because they got into investments they shouldn't have gotten into. That's the only fund, so there is no bailout. The institution has died.

Here is another difference, though. The Republican bill does zero, proudly, does zero to prevent those institutions from getting to that point. The bill that we are putting forward says the regulators, as a systemic risk council, will monitor institutions and will monitor activity. If we see an institution getting to that point, we step in and say, raise your capital, stop selling CDSs, stop selling mortgages, giving mortgages to people who shouldn't get them, divest yourself of this or that.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. PERLMUTTER. I yield the gentleman 1 more minute.

Mr. FRANK of Massachusetts. Mr. Speaker, I know that some of my conservative colleagues who have aligned themselves with people who came to be the new American patriots want to emulate the people who revolted against George III, but there is another monarch who comes to mind when I come to think of them. When in the 19th century the Bourbons were restored after the French Revolution, it was said of them that they had forgotten nothing because they learned nothing.

That's my Republican colleagues. They have learned absolutely nothing from the fact that a total absence of regulation caused this enormous financial crisis.

Do we care about jobs, yes. We don't want, as their bill would do, their substitute to allow an AIG to continue to do what it did to allow subprime mortgages to continue, to allow executive pay to have that perverse incentive. Yes, we are trying to prevent another job loss like the one President Obama inherited from President Bush.

Mr. DREIER. Mr. Speaker, at this time I am happy to yield 3 minutes to the very distinguished chairman of the Republican Conference, the gentleman from Columbus, Indiana (Mr. PENCE).

(Mr. PENCE asked and was given permission to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, I rise in opposition to the rule and the underlying bill, the so-called Wall Street Reform and Consumer Protection Act of 2009. Unfortunately, as has been said, there is not much taxpayer protection in the bill, and there is even less Wall Street reform.

Now, I see this bill as nothing more than a permanent bailout and a job killer. I must say I relish the opportunity to rise in the immediate aftermath of the formidable debating skills of the chairman of this committee, who I respect, both personally and as a colleague.

But I respectfully differ with him on this bailout, as I did on the bailout that he authored last year during the Bush administration.

Mr. FRANK of Massachusetts. Will the gentleman yield?

Mr. PENCE. I would be pleased to yield.

Mr. FRANK of Massachusetts. I didn't offer it. It was offered by President Bush. I did vote for it, but it was President Bush's offer. I give credit where credit is due.

Mr. PENCE. Reclaiming my time, I believe it was a bill that bore the gentleman's cosponsorship.

I opposed the Wall Street bailout last fall, and I oppose this Wall Street bailout today. The truth is the American people that are looking in tonight really have got to be astounded that Washington DC, in response to these extraordinary economic times, is now launching and making permanent the policies of bailouts that millions of Americans have rejected over the last year.

After more than a year of the Federal Government's heavy-handed intervention in our financial services industry, this bill continues to take the country in the wrong direction: more government, more bailouts. The legislation before us today makes permanent the failed policy of taxpayer-funded abortions that led to record deficits and undermined our economic freedom.

In this cause, House Republicans stand with the American people who have said virtually with one voice in the last year: no more bailouts. No more bailouts by Republican administrations; no more bailouts by Democrat administrations. We stand with them in their cause.

This Democrat plan for regulatory reform will vastly expand the power of the Federal Government and further empower Washington bureaucrats over the financial decisions of America's families and businesses. It creates a so-called credit czar that will have the authority to determine what financial products are available for consumers.

The President yesterday said at the Brookings Institution that we need to address ''the continuing struggle of small businesses to get loans.'' He is right about that. He said the same thing at a White House meeting I attended today, but apparently Democrats in Congress didn't get the message.

The bill before us today will severely restrict the flow of credit. At a time when families are struggling to make ends meet, small businesses are trying hard to keep the doors open.

I say with respect to my Democrat colleagues and to the President, American small business doesn't want a hand out; they want the Federal Government to get out of their way. Instead of providing taxpayers with an exit strategy for government involvement in Wall Street, this bill makes it permanent.

Now, House Republicans have a good alternative, regulatory reform that ensures that the era of taxpayer bailouts will come to an end. It's an interesting choice tonight, Mr. Speaker. Do we want to make bailouts permanent? Do we want to set our Nation on a path of ending the era of bailouts once and for all?

I urge support of the Republican alternative in opposition to this rule and this bill, which is really the Wall Street bailout and protection act, rightly understood.

Mr. PERLMUTTER. I just want to respond to my friend from Indiana, who continues to call this a bailout. All it does is put big institutions that fail out of their misery, just like we liquidate banks who have failed. Big financial institutions on Wall Street, whether they are insurance companies or credit companies or banks or stockbrokers, are placed into liquidation and finished.

With that, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, at this time I am happy to yield 2 minutes to our great new colleague from Eden Prairie, Minnesota, a hardworking member of the Financial Services Committee, Mr. PAULSEN.

Mr. PAULSEN. I thank the gentleman.

Mr. Speaker, I rise tonight in opposition to the rule for H.R. 4173 and the underlying legislation.

Mr. Speaker, the effects of this bill, as we have already heard, will further harm our economy, draining capital from our economy and reducing overall lending by over as much as $55 billion, as studies have shown. The effects of this bill further harming our economy will hurt small business and consumers alike. They are going to considerably find it much more difficult to access the credit they need in a very challenging economy in addition to dealing with more government bureaucracy.

This bill, this legislation, will create a new credit czar with a mandate to limit consumer choice, to ration credit, and to increase the cost of financial transactions. Congress should be focusing on measures that will lead to job creation and encourage American prosperity, not implementing policies that will increase the unemployment numbers. Again, studies have shown that this legislation will literally cost hundreds of thousands of jobs in our economy.

We should be putting an end to all Washington bailouts and the Washington bailout mentality. This legislation does not firmly put an end to taxpayer-funded bailouts. Rather, it could increase the likelihood of future bailouts. This legislation should also be ending the "too big to fail" mentality that has dominated Washington. Instead, this legislation will institutionalize it.

By creating institutions that are too big to fail, we are implying that certain financial companies will be sheltered by a Federal safety net. Mr. Speaker, I urge a "no" vote on the rule.

Mr. PERLMUTTER. I would like to ask again how much time each side has.

The SPEAKER pro tempore. The gentleman from Colorado has 7 minutes remaining, and the gentleman from California has 10 minutes remaining.

Mr. PERLMUTTER. I continue to reserve the balance of my time.

Mr. DREIER. At this time, Mr. Speaker, I am very happy to yield 1½ minutes to my friend from Mesa, Arizona (Mr. FLAKE).

Mr. FLAKE. I thank the gentleman for yielding.

I wish the gentleman from Massachusetts were here to hear this discussion. Earlier in the year we had a discussion about moral hazard. I think all of us recognize that moral hazard played a role in the mess that we got in last year and have been in for a couple of years. The implied guarantees that we had at Freddie and Fannie played a role, a rather large role, in the problems that we later had.

I had mentioned to the gentleman from Massachusetts that some legislation we were passing earlier this year would further foster that principle of moral hazard. He said to me that, yes, that would be a problem if what we were doing were permanent, but it wasn't. It was simply temporary.

But here what we are doing is very permanent. We are establishing a permanent, in a sense, a permanent bailout fund. We are told only to believe that we are establishing a bailout fund that will never bail out any companies but, rather, will be used to shut companies down, or something like that, to establish a fund.

Fifty billion seed money from the Treasury, 50 billion in taxes from other companies to establish a fund to shut companies down? I don't think so. I think what we are establishing here, it's rather clear, is a bailout fund, a permanent bailout fund.

If you want to talk about moral hazard, this is it. This is moral hazard institutionalized that will lead to the types of problems that we have seen. It's not a Republican issue or a Democrat issue. This is a principle, an economic principle that simply we cannot ignore.

Mr. PERLMUTTER. I continue to reserve the balance of my time.

Mr. DREIER. Mr. Speaker, may I inquire again how much time remains on each side.

The SPEAKER pro tempore. The gentleman from California has 8½ minutes remaining, and the gentleman from Colorado has 7 minutes remaining.

Mr. DREIER. Let me just say to my friend, if I might, Mr. Speaker, that we are winding down. If the gentleman has no further speakers, we are prepared to close.

Mr. PERLMUTTER. I have one.

Mr. DREIER. At this time I am happy to yield 2 minutes to my very good friend, the former Rules Committee member from Charleston, West Virginia (Mrs. CAPITO).

Mrs. CAPITO. I would like to thank the ranking member and my former Chair for yielding this time to me and thank him for his leadership on every important debate.

My colleagues, our friends on the other side of the aisle would have us believe that the Wall Street Reform and Consumer Protection Act derives its name from the assumption that the underlying text will prevent Americans from the impact of future economic disturbances like the one we experienced last fall. If only that were true.

Instead, this bill is nothing more than a continuation of the bailout mentality that has put trillions of taxpayer dollars on the hook for the mistakes of Wall Street. Are we finally putting an end to the bailout culture on this bill? No, we are not.

Rather than ending the bailouts, this legislation institutionalizes them. Instead of protecting taxpayers, this bill puts them at further risk. The Democrats' bill will grant authority to both the Treasury and the Federal Reserve to create a new $200 billion fund to finance future bailouts of the big banks and financial institutions. Who will be paying for this fund? The consumers.

Furthermore, if there is another market-wide disturbance like the experience last fall, it will be the taxpayers who will be called upon to pick up the tab. Unfortunately, the chairman's bill also fails to put an end to "too big to fail." If certain institutions are too big to fail, then that means that the rest are too small to save.

□ 1945

This will no doubt continue the troubling practice of government's picking winners and losers in the marketplace. This bill will do nothing more than set up an unlevel playing field that penalizes consumers, puts taxpayers' dollars at risk, and restricts the flow of credit at a time when our small businesses need it most.

Republicans on the House Financial Services Committee have put forth a better proposal. We believe it's time to truly put an end to the bailouts. Business decisions have consequences, and Wall Street needs to know that taxpayers will not be there to help them pick up the pieces of their risky business practices. Instead of permanent bailouts, we propose a new chapter of the bankruptcy code capable of ensuring the orderly unwinding of failed firms.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Mr. DREIER. Mr. Speaker, I yield my friend an additional 30 seconds.

Mrs. CAPITO. We would give bankruptcy judges the authority to stay claims by creditors and counterparties to prevent runs on troubled institutions, alleviating potential panics if a large institution faces trouble. Under this proposal, all market participants, large and small, will know the rules of the game. If they take on too much risk, they'll face bankruptcy just like any other failed business.

We'll also protect consumers with increased investment fraud enforcement. We'll monitor systemic risk through improved coordination between regulators. Yet, most importantly, we'll provide market certainty by making it clear to Wall Street that no firm is ''too big to fail.''

I urge my colleagues to say ''no'' to bailouts and oppose the underlying bill.

Mr. PERLMUTTER. Mr. Speaker, I say to my good friend from West Virginia she continues to use the word ''bailout,'' but as it's clear in the bill, this is not any taxpayer-funded money. The continued use by my Republican colleagues of the word ''bailout'' is simply wrong and misleading because what is stated in the bill is the creation of a fund based on assessments paid by the biggest financial institutions in the world, $50 billion and bigger in terms of assets, so that those institutions, if they fail, will have a liquidation fund to put themselves out of their misery. That's what this is all about, to just be finished with it.

Now, one thing I would like to say about my Republican colleagues. They've forgotten. They've talked about two sections of the bill: consumer protection, which is absolutely essential in this bill, as well as dealing with huge financial institutions that are risky to our financial system and could create a domino effect like we had last fall.

The seven other sections of the bill—hedge funds, credit rating agencies, derivatives, life insurance, executive pay, and subprime—those were bipartisan sections of the bill. So this bill covers a lot of topics to rein in our financial system and restore it and strengthen it as we go forward.

Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, at this juncture I am happy to yield 1 minute to the gentleman from Savannah, Georgia (Mr. KINGSTON).

Mr. KINGSTON. I thank the chairman for yielding.

I stand in opposition to the rule and in opposition to the bill. One reason is that in 1969, when Congress passed Truth in Lending, it was with great intent. Nobody would argue against the purism of the heart. But the reality is, in 1969 before the bill even went into effect, before the new law became effective on the books, there were 34 official interpretations of what the rule would mean, and 10 years later there were over 13,000 lawsuits about it just trying to figure out what does this thing mean.

Now here comes this bill and there are all kinds of terms in there like ''excessive,'' ''unreasonable,'' and ''abusive,'' and they're not defined. Those are going to be defined in a court system by trial and error over a period of time.

We need to send this bill back to the committee and ask for definitions on this stuff so that we can, during these uncertain economic times, not put one more ambiguity on the private sector. I think that's the better way to do reform.

The SPEAKER pro tempore. The gentleman from California has 5 minutes remaining, and the gentleman from Colorado has 5½ minutes remaining.

Mr. PERLMUTTER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. I thank the gentleman very much for yielding.

There's nothing like delay, delay, delay when we begin to talk about helping the American people. If my good friends on the other side of the aisle would look at what the intent of this bill is, I think we'd find common ground. So I rise to support the rule and the underlying bill because it does point to some of the major crises that we have been contending with.

I am glad that we are ending the bailout and preventing the rise of institutions that are ''too big to fail.'' We're dismantling large, failing institutions, and we're getting money back for the taxpayer. I am very glad that we have a financial stability council that has been enhanced by the Congressional Black Caucus where we will have diverse membership so the oversight will be effective and consistent. Executive compensation gives shareholders a say on pay. Never before have we had that. This is long overdue. Investor protections and certainly to be able to respond to too big and too fat cats like Madoff, it's long overdue.

Then to emphasize the importance that I have heard from so many of my constituents on the whole question of mortgage foreclosure modification, and that is they need to have real foreclosure modification, and only 6 percent of those that have been in trial modifications have now been moved to permanent foreclosure modifications. The process is too slow.

We are kicking this down the road by adding $3 billion from the Federal Troubled Assets Relief Program toward mortgage relief for jobless Americans. The measure would designate another $1 billion for a program that gives grants to State and local governments to purchase foreclosed properties and use them for many productive purposes, according to the members of the Financial Services Committee and the Congressional Black Caucus task force that have worked with Congresswoman MAXINE WATERS. We stand together united on the idea that the financial structure has not worked for the jobless, the poor, and working Americans. This legislation helps to generate that kind of pathway and that kind of roadway.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Mr. PERLMUTTER. I yield the gentlewoman an additional 15 seconds.

Ms. JACKSON-LEE of Texas. I thank the distinguished gentleman.

I think it is extremely important that we protect and consider our credit unions. I have met with those today, and I want to ensure that if this bill has any language in it about the overdraft not being protected that, in essence, we work through that process. They are very much a part of this, and I want to make sure that this bill is supported.

I support the rule and the underlying bill.

Mr. DREIER. Mr. Speaker, at this time I am happy to yield 2 minutes to a hardworking member of the Financial Services Committee, the gentleman from Wantage, New Jersey (Mr. GARRETT).

Mr. GARRETT of New Jersey. I thank the gentleman for yielding.

Delay, delay, delay? Ms. JACKSON-LEE just made the comment. It's absolutely delay. We've been waiting here for the last 4 hours for your side of the aisle to come to the floor to be able to debate this bill. So Ms. JACKSON-LEE, I would ask, through the Chair, who it is on your side that was delay, delay, delay, and I would be glad to bring that person to the floor to ask, Why are you delaying trying to reform the system in this country?

But I rushed to the floor because I was just doing a telephone town hall and people were watching what is going on on the floor right now, and they said, Congressman, you must go down to the floor to end the bailouts, end this piece of legislation that will cut jobs in this country, and end this piece of legislation that will expand the size of government.

Now, I understand the reason the gentleman from Colorado says that we are mistaken with regard to whether or not there are bailouts in the bill. This bill is larger than the health care bill. It's larger than the cap-and-trade bill. You remember the bill that no one read before they came here or the health care bill that no one read before they came here? Maybe the reason why the gentleman from Colorado is perhaps mistaken on this point is because, quite candidly, enough people on your side of the aisle haven't read the bill. And if you did, you would see that there are bailouts and that the taxpayer is ultimately on the hook to the tune of upwards of $150 billion.

How does that work? Well, we set up this system where, in essence, we're going to say we're going to set up a slush fund that eventually will tax businesses that are causing cuts in jobs across this country, but until we get that up and running, where are we going to get that money? Well, we're going to get it by essentially allowing the U.S. Treasury to go to the American public and ask them once again, once again, to bail out the mistakes on Wall Street.

Well, we say enough to the bailouts. Enough of putting the taxpayer on the hook for the bailouts. Enough for all the mistakes, both by Wall Street and government. And enough to these bailouts passed in legislation that this administration has passed and that the chairman in this committee has ushered through in the past. Whether it's the past administration or this administration, that side of the aisle has been at the forefront of having the American taxpayer bailing out Wall Street and the government as well.

Mr. PERLMUTTER. Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this has been a very interesting debate as we talk about where we are economically and the challenges with which we are trying to contend. It's a very serious time. The American people are hurting. People are losing their businesses, their homes, their jobs all across this country. They want us to get our economy back on track, and they want us to ensure that we do this in a very, very responsible way.

Well, Mr. Speaker, my colleague Mr. GARRETT has just put before us the 1,279-page bill that is to be considered under this measure, and I have to say that as we look at it, it is voluminous. And I will admit I haven't read every single page of that bill and I doubt that there are many of our colleagues who have.

The fact of the matter is we have a 170-page alternative. This one, by the way, is on both sides of the pages, and ours is on one side, Mr. Speaker. It's 170 pages, and it's a proposal that clearly will ensure that we don't proceed down the road towards bailouts. It will make sure that we don't jeopardize our economic growth. It will make sure that we create greater transparency and accountability, and that is a key priority that I believe the American people want us to pursue.

□ 2000

We all hear David Letterman's regular Top 10 list. I was just handed a Top 10 list as to why we should support the 170-page bill that provides transparency and accountability and will work to get our economy back on track without increasing taxes or permanent bailouts, and to oppose this 1,279-page bill.

Number one: This one creates a permanent TARP-like bailout authority.

Number two: It imposes a massive tax during a credit crisis and weak economy.

Number three: It expands the powers of the Federal Reserve.

Number four: It creates a credit czar with the authority to restrict access to credit and impose taxes on consumers and small businesses.

Number five: It undermines the ''safety and soundness'' regulation of financial institutions.

Number six: It rewards trial lawyers at the expense of investors.

Number seven: It kills jobs by undermining the ability of Main Street companies to manage risk.

Number eight: It empowers regulators to impose wage controls on workers and enterprises.

Number nine: It continues ''business as usual'' at Fannie Mae and Freddie Mac.

And number 10: Our Republican substitute ends the bailouts, restores market discipline, and protects consumers, small businesses, and taxpayers.

Reject this rule. Reject this legislation. We can do better. We have it in our hands right here, Mr. Speaker.

With that, I yield back the balance of my time.

Mr. PERLMUTTER. Mr. Speaker, my friend from California wanted to compare the 170-page proposal that they have versus the 1,300 pages of the bill that we have. I would just say to him, in his proposal, he doesn't deal with hedge funds, he doesn't deal with credit rating agencies, he doesn't deal with derivatives, he doesn't deal with excessive compensation to executives, he doesn't deal with life insurance. He doesn't deal with a whole range of things. He just deals with one thing: Let's put them in bankruptcy. Let's do a chapter 11. Let's let these things go on forever in a chapter 11.

Well, ladies and gentlemen, we can't afford this anymore. The status quo, which is more or less what the Republicans are proposing—they should call their bill ''Let's Protect Wall Street'' because that's all it does. It doesn't change anything.

When we lose trillions of dollars and people's livelihoods, and retirement funds, and pension plans, and jobs are lost, and they come in here and say, Oh, theirs is 1,300 pages, that's got to be bad because ours is 170 pages, when people's lives have changed, the debate on this floor and the debate about American futures is more than that. This is about restoring confidence in a financial system that was allowed to be the Wild West under George Bush and under the Republicans. This is no longer going to be the case. We are going to have reasonable regulation that people can rely on; certainty will be restored and confidence in the system regained.

There are nine sections: Consumer protection; investor protection; dealing with derivatives; dealing with credit rating agencies; dealing with executive compensation; dealing with hedge funds; and specifically, and most importantly, dealing with those financial institutions that have become so risky that they are going to cause a collapse of our entire banking system, which we cannot allow. So we require those institutions to post themselves $150 billion so they can be liquidated without any cost to the taxpayer.

Their proposal is nothing but bailouts. Their proposal is nothing but protecting Wall Street. We've got to change that. This bill changes the future of our financial system in a way that we haven't seen since the New Deal. We need to restore confidence. That's what we do.

I urge a ''yes'' vote on the previous question and on the rule.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DREIER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, this 15-minute vote on adopting House Resolution 956 will be followed by a 5-minute vote on suspending the rules and passing H.R. 86.

The vote was taken by electronic device, and there were—yeas 235, nays 177, not voting 22, as follows:

[Roll No. 945]

YEAS—235

Abercrombie
Ackerman
Adler (NJ)
Altmire
Andrews
Arcuri
Baca
Baird
Barrow
Bean
Becerra
Berkley
Berman
Bishop (GA)
Bishop (NY)
Blumenauer
Boccieri
Boren
Boswell
Boucher
Boyd
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Castor (FL)
Chandler
Childers
Chu
Clarke
Clay
Cleaver
Clyburn
Cohen
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crowley
Cuellar
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
DeFazio
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Driehaus
Edwards (MD)
Edwards (TX)
Ellison
Ellsworth
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Foster
Frank (MA)
Garamendi
Giffords
Gonzalez
Gordon (TN)
Grayson
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Halvorson
Hare
Harman
Hastings (FL)
Heinrich
Herseth Sandlin
Higgins
Hill
Himes
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
Kissell
Klein (FL)
Kosmas
Kratovil
Kucinich
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Luján
Lynch
Maffei
Maloney
Markey (CO)
Markey (MA)
Marshall
Massa
Matheson
Matsui
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McMahon
McNerney
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Minnick
Mollohan
Moore (KS)
Moore (WI)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Nadler (NY)
Napolitano
Neal (MA)
Nye

Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Perlmutter
Perriello
Peters
Peterson
Pingree (ME)
Polis (CO)
Pomeroy
Price (NC)
Quigley
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sarbanes
Schakowsky
Schauer
Schiff
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Space
Speier
Spratt
Stupak
Sutton
Tanner
Teague
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Towns
Tsongas
Van Hollen
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Wilson (OH)
Wu
Yarmuth

NAYS—177

Aderholt
Akin
Alexander
Austria
Bachmann
Bachus
Bartlett
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boustany
Brady (TX)
Bright
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Calvert
Camp
Campbell
Cantor
Cao
Capito
Carter
Cassidy
Castle
Chaffetz
Coble
Coffman (CO)
Cole
Conaway
Crenshaw
Culberson
Davis (KY)
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dreier
Duncan
Ehlers
Emerson
Fallin
Flake
Fleming
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gingrey (GA)
Gohmert
Goodlatte
Graves
Griffith
Guthrie
Hall (TX)
Harper
Hastings (WA)
Heller
Hensarling
Herger
Hoekstra
Inglis
Issa
Jenkins
Johnson (IL)
Johnson, Sam
Jones
Jordan (OH)
Kaptur
King (IA)
King (NY)
Kingston
Kirk
Kirkpatrick (AZ)
Kline (MN)
Lamborn
Lance
Latham
LaTourette
Latta
Lewis (CA)
Linder
LoBiondo
Lucas
Luetkemeyer
Lummis
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul
McClintock
McCotter
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mitchell
Moran (KS)
Murphy, Tim
Myrick
Neugebauer
Nunes
Olson
Paul
Paulsen
Pence
Petri
Pitts
Platts
Poe (TX)
Posey
Price (GA)
Putnam
Rehberg
Reichert
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Scalise
Schmidt
Schock
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuler
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Taylor
Terry
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden
Wamp
Westmoreland
Whitfield
Wilson (SC)
Wittman
Wolf
Young (AK)
Young (FL)

NOT VOTING—22

Baldwin
Barrett (SC)
Berry
Buyer
Davis (TN)
DeGette
Fudge
Granger
Hunter
Lee (NY)
Lewis (GA)
McHenry
Miller, George
Moran (VA)
Murtha
Pastor (AZ)
Payne
Radanovich
Sanchez, Loretta
Stark
Wexler
Woolsey

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining in this vote.

□ 2029

Mr. TERRY and Ms. KAPTUR changed their vote from ''yea'' to ''nay.''

Messrs. SPRATT and PERRIELLO changed their vote from ''nay'' to ''yea.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PRESERVING ORANGE COUNTY'S ROCKS AND SMALL ISLANDS

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and pass the bill, H.R. 86, as amended, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Guam (Ms. BORDALLO) that the House suspend the rules and pass the bill, H.R. 86, as amended.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 397, nays 4, not voting 33, as follows:

[Roll No. 946]

YEAS—397

Abercrombie
Ackerman
Aderholt
Adler (NJ)
Akin
Alexander
Altmire
Andrews
Arcuri
Austria
Baca
Bachmann
Barrow
Bartlett
Barton (TX)
Bean
Becerra
Berkley
Berman
Biggert
Bilbray
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boccieri
Boehner
Bonner
Bono Mack
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Brady (PA)
Brady (TX)
Braley (IA)
Bright
Broun (GA)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Butterfield
Calvert
Camp
Campbell
Cantor
Cao
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Carter
Cassidy
Castle
Castor (FL)
Chaffetz
Chandler
Childers
Chu
Clarke
Clay
Cleaver
Clyburn
Coble
Coffman (CO)
Cohen
Cole
Conaway
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crenshaw
Crowley
Cuellar
Culberson
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Deal (GA)
DeFazio
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Donnelly (IN)
Doyle
Dreier
Driehaus
Duncan
Edwards (MD)
Edwards (TX)
Ehlers
Ellison
Ellsworth
Engel
Eshoo
Etheridge
Fallin
Farr
Fattah
Filner
Flake
Fleming
Forbes
Fortenberry
Foster
Foxx
Frank (MA)
Franks (AZ)
Frelinghuysen
Gallegly
Garamendi
Garrett (NJ)
Gerlach
Giffords
Gingrey (GA)
Gohmert
Gonzalez
Goodlatte
Gordon (TN)
Graves
Grayson
Green, Al
Green, Gene
Griffith
Guthrie
Gutierrez
Hall (NY)
Hall (TX)
Hare
Harper
Hastings (FL)
Hastings (WA)
Heinrich
Heller
Hensarling
Herger
Herseth Sandlin
Higgins
Hill
Himes
Hinchey
Hinojosa
Hirono
Hodes
Hoekstra
Holt
Honda
Hoyer
Hunter
Inglis
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jenkins
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones
Jordan (OH)
Kanjorski
Kaptur
Kildee
Kilpatrick (MI)
Kilroy
Kind
King (IA)
King (NY)
Kingston
Kirk
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kline (MN)
Kosmas
Kratovil
Kucinich
Lamborn
Lance
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Latta
Lee (CA)
Lee (NY)
Levin
Lewis (CA)
Linder
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lucas
Luetkemeyer
Luján
Lummis
Lungren, Daniel E.
Lynch
Mack
Maffei
Maloney
Manzullo
Marchant
Markey (CO)
Markey (MA)
Marshall
Massa
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul
McClintock
McCollum
McCotter
McDermott
McGovern
McHenry
McIntyre
McKeon
McMahon
McMorris Rodgers
Meek (FL)
Meeks (NY)
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Minnick
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Murphy, Tim
Myrick
Nadler (NY)
Napolitano
Neal (MA)
Neugebauer
Nunes
Nye
Oberstar
Olson
Olver
Ortiz
Owens
Pallone
Pascrell
Paul
Paulsen
Pence
Perlmutter
Perriello
Peters
Peterson
Petri
Pingree (ME)
Pitts
Platts
Poe (TX)
Polis (CO)
Pomeroy
Posey
Price (GA)
Price (NC)
Putnam
Quigley
Rahall
Rangel
Rehberg
Reichert
Reyes
Richardson
Rodriguez
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Ross
Rothman (NJ)
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Salazar
Sánchez, Linda T.
Sarbanes
Scalise
Schakowsky
Schauer
Schiff
Schmidt
Schock
Schrader
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Sestak
Shadegg
Shea-Porter
Sherman
Shimkus
Shuster
Simpson
Sires
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Space
Speier
Spratt
Stearns
Stupak
Sullivan
Sutton
Tanner
Taylor
Teague
Terry
Thompson (CA)
Thompson (MS)
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Tierney
Titus
Tonko
Towns
Tsongas
Turner
Upton
Van Hollen
Velázquez
Visclosky
Walden
Walz
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Westmoreland
Whitfield
Wilson (OH)
Wilson (SC)
Wittman
Wolf
Wu
Yarmuth
Young (FL)

NAYS—4

Emerson
Kennedy
Skelton
Young (AK)

NOT VOTING—33

Bachus
Baird
Baldwin
Barrett (SC)
Berry
Bilirakis
Buyer
Davis (TN)
DeGette
Delahunt
Doggett
Fudge
Granger
Grijalva
Halvorson
Harman
Holden
Kagen